



8(a) BUSINESS DEVELOPMENT PROGRAM

<https://minnesota.feb.gov/programs/sadboc>

What is the 8(a) BD Program?

The 8(a) Business Development Program is a business assistance program for small disadvantaged businesses. It is an essential instrument for helping disadvantaged entrepreneurs gain a foothold in government contracting and access to the economic mainstream of American society.

The overall goal is to graduate 8(a) firms that will go on to thrive in a competitive business environment. There are some requirements in place to help achieve this goal. Program goals require 8(a) firms to:

- Maintain a balance between their commercial and government business.
- Limit on the total dollar value of sole-source contracts that an individual participant can receive while in the program: \$100 million or five times the value of its primary NAICS code.

Participation in the program is divided into two phases over nine years: a four-year developmental stage and a five-year transition stage.

Cost to certify as an 8(a) BD: Free

Link: NAICS Codes, <https://www.sba.gov/contracting/getting-started-contractor/determine-your-naics-code>

Benefits of the 8(a) BD Program

Participants can receive sole-source contracts, up to a ceiling of \$4 million for goods and services and \$6.5 million for manufacturing.

8(a) firms are also able to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

8(a) firms are also allowed to learn the ropes from other more experienced-larger businesses. See the Mentor-Protégé Program for more information.

Link: Mentor-Protégé: <https://www.sba.gov/content/mentor-protege-program>

Eligibility criteria for the 8(a) BD Program

To qualify for the 8(a) BD program, the business (except entity-owned firms*) must:

- Be small by SBA standards at time of application and throughout the 9 year program term. See SBA size standards: www.sba.gov/size. For a Summary of Size Standards click [here](#).
- Be at least 51% unconditionally and directly owned and controlled/managed by one or more socially disadvantaged individuals who are US citizens and are economically disadvantaged.
- Show potential for success (generally by being in business for two years) and have the necessary financial capacity to successfully perform on federal contracts.
- Have all its principals demonstrate good character including not owning any outstanding federal financial obligations.

*Requirements are different for firms that are owned by Entities such as: Alaska Native Corporations (ANCs), Indian tribes, Native Hawaiian Organizations (NHOs), and Community Development Corporations (CDCs). Read the section, Ownership Requirements for Approved Firms here.

Who is considered a socially disadvantaged individual?

Those who have been subject to racial or ethnic prejudice or cultural bias within American society because of their identification as members of groups without regard to their individual qualities.

For purposes of the 8(a) Business Development program, the following individuals are presumed socially disadvantaged (called “presumed groups”):

- Black Americans
- Hispanic Americans
- Native Americans
- Asian Pacific Americans
- Subcontinent Asian American

In the absence of evidence to the contrary, an individual applicant is presumed socially disadvantaged if:

- Holds him or herself out to be a member of a presumed group
- Is currently identified by others as a member of a presumed group

The presumed groups listed above are solely for purposes of SBA’s 8(a) Business Development program. Other individuals may similarly be found socially disadvantaged and eligible for the program on a case-by-case basis. For more information see section, Other Socially Disadvantaged Individuals.

Who is considered economically disadvantaged individual?

Before SBA can approve an application, the individuals claiming to be disadvantaged must submit supporting documents to prove their assets, income, and net worth fall below certain threshold amounts. These include:

- Assets cannot exceed \$4 million
- Personal income cannot exceed \$250,000, averaged over 3 years
- Adjusted net worth must be less than \$250,000

Links:

- **Control Eligibility:** <https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program/eligibility-requirements/control-eligibility>
- **Social Disadvantage Eligibility:** <https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program/eligibility-requirements/social-disadvantage-eligibility>
- **Economic Disadvantage Eligibility:** <https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program/eligibility-requirements/economic-disadvantage-eligibility>
- **Additional Eligibility Criteria, Good Character:** <https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program/eligibility-requirements/additional-eligibility-criteria>

How to get certify for the 8(a) BD Program

For admission into the 8(a) Business Development program you can apply online or you may apply via hard copy application.

Use this checklist to ensure you have the supporting documents SBA will ask for to complete your application. Checklist: <https://certify.sba.gov/prepare#eighta-anc>

Starting on November 15, 2017 you will be able to apply online at <https://certify.sba.gov/>

In the meantime, you will need to click here to apply for the 8(a) program.

- To apply on line: Click here, Steps to Apply to the 8(a) Program
<https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program/how-apply>
- For a hard copy application: Click Here, 8(a) BD Program Application
<https://www.sba.gov/managing-business/forms/small-business-forms/8a-business-development-forms/8a-business-development-bd-program-application>
- For help with the 8(a) online application, please email BDMIS@sba.gov

For more information visit:

- SBA 8(a) Business Development Program Home Page
<https://www.sba.gov/contracting/government-contracting-programs/8a-business-development-program>
- 8(a) Business Development Suitability Tool,
<http://imedia.sba.gov/vd/media1/training/sbdtool/player.html>
- Ondemand Webinars: SBA Learning Center, <https://www.sba.gov/tools/sba-learning-center/training/pre-8a-business-development-program-training-series>
- For help with 8(a) regulations and requirements, contact 8aBD@sba.gov
- Contact the Minnesota District Office: Shaun McClary at (612) 370-2320, email: shaun.mcclary@sba.gov